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8 October 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Supergrade Positions - Meeting with Bureau of the Budget Officials.

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1. On 4 October 1955 Mr. Lloyd, Mr. Saunders, [REDACTED] and I met with Messrs. Macy, Perry, and Hamilton, Bureau of the Budget, to discuss our proposal that we raise the Agency's supergrade ceiling from [REDACTED] This meeting was the culmination of several preliminary discussions, exchanges of correspondence, etc. We recognized, as did Mr. Macy, that the authority to raise our supergrade ceiling rested with the Director; however, we did have an informal understanding with the Bureau of the Budget that we would not exceed the ceiling of [REDACTED] without consultation with them.

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2. At the very beginning Mr. Macy repeated our earlier understanding that this was a matter in which the Bureau of the Budget did not have authority and that the information which they would give to us would be a "reaction" to our suggestion rather than an approval or disapproval. He also emphasized that they found it very difficult to compare many of our activities with other Governmental agencies. The significant points of our discussion were as follows:

a. Mr. Macy pointed out that the recent Law (Public Law No. 94) authorizing an additional 1200 supergrade positions stated that they were to be spread very thinly throughout the Government and would be, for the most part, in grade GS-16. Therefore, he thought that we should not take this as a precedent for a substantial increase in our numbers, especially in grades GS-17 and GS-18.

b. Mr. Macy had difficulty in understanding the necessity for so many supergrades in some of our very small staffs. He commented particularly on the large number of grade GS-18's in the Board of National Estimates. He said that at first blush it certainly seemed that these individuals should be at the highest level but that from his experience on the NSC Planning Board, through which he had a fair knowledge of the advice and assistance which these individuals had available to them, he had some reservation about the necessity for so many high supergrades.

c. Mr. Macy thought that the ratio of departmental to field positions was unnecessarily high. He pointed out that our cur-

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rent ratio was almost [REDACTED] whereas in the Department of State it ran almost one to four. (I indicated to Mr. Macy that he should bear in mind that the entire DD/I organization and a considerable part of the DD/S organization would be in existence regardless of the strength of our field stations and that insofar as DD/P components were concerned our ratio of headquarters to field would show a much better picture.)

d. Mr. Macy had rather serious reservations about the necessity for what appeared to him to be a very large number of special assistants in supergrades. He was not prone to accept our explanations of the great reliance placed upon these individuals by deputy directors and others and remained hard to convince that these special assistants and other comparable staff officers had the same responsibilities and deserved the same grades or, in some cases, higher grades than those held by line or command officials.

e. Mr. Macy stated that those positions which they felt they had some basis for comparing with other agencies were those which they could clearly identify as "administrative" positions. He stated it was their general feeling that in those positions which they could clearly identify as "administrative" our current authorization should be adequate. Further discussion brought out that he felt he had no basis to compare supergrades in Training, Communications, and possibly other Support components.

f. Mr. Macy pointed out that any increase of our supergrade ceiling by a substantial number would obviously create grade GS-14 and GS-15 vacancies and that the whole exercise would have the net effect of raising our average salary, a point on which the Bureau feels quite strongly and exercises quite close supervision.

3. On questioning Mr. Macy as to whether he thought in the aggregate we would be far out of line if we increased our ceiling substantially, while implying that he thought we would be, he again made it clear that perhaps he was not in a position to judge. He suggested that we might consider the possibility of getting some outside consultant in whom we had confidence to come in and look at the situation. I explained to him the proceedings of the Supergrade Review Board and emphasized the fact that the Director personally acted on all supergrade promotions. He agreed with me that the only fair and proper way to attack the problem was to undertake a careful classification study of each position considered and to carefully avoid any arbitrary, arithmetical establishment of ceiling or the internal allocation thereof. Mr. Macy said that he preferred not to furnish any written response to our query and I agreed that I thought this was neither necessary nor desirable.

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